

MINUTES OF THE  
MEETING  
OF THE  
AUDIT & COMPLIANCE COMMITTEE  
FRIDAY, MARCH 18, 2011– 9:00 A.M.

Present:	<u>Committee Members</u>	Michele Bush Thomas Hoffman Fred Montgomery
	<u>Board Members</u>	Roderick Bashir Devon Bruce John Casey, via telephone
	<u>Staff</u>	William Atwood Linsey Schoemehl Katherine Spinato, via telephone Alise White
	<u>Guests</u>	State Retirement Systems Tim Blair, via telephone Office of the Comptroller Alexis Strum, via telephone
Absent:	<u>Committee Members</u>	James Clayborne Judy Baar Topinka

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## *ROLL CALL*

Chairman Bush called the meeting to order at 9:00 a.m. The Secretary called the roll and noted that a quorum was present. Mr. Montgomery moved to allow John Casey to participate in the meeting via telephone. Judge Hoffman seconded and the motion passed unanimously.

## *MINUTES OF PREVIOUS MEETING*

Mr. Montgomery moved to approve the minutes of the Audit & Compliance Committee meeting held December 17, 2010, in the form previously submitted. Judge Hoffman seconded and the motion passed unanimously.

## *STATUS OF FY 2010 AUDIT*

Ms. White referred to her memorandum "Fiscal 2010 Audit Findings" dated March 9, 2011 and a draft of the audit findings that had been previously distributed. Following review, Chairman Bush thanked Ms. White for the report. (Official minutes contain attachment.)

## *UPDATE ON ELECTRONIC DOCUMENT SYSTEM*

Ms. White referred the Committee Members to a memorandum "Replacement of Backstop Solutions Software with Cornerstone Communications Document Management System" dated March 9, 2011. Following review and discussion, Judge Hoffman moved to approve the Staff recommendation to replace the Backstop Solutions software with the Cornerstone Communications Document Management System, as outlined in the memorandum. Mr. Montgomery seconded and the motion passed unanimously. (Official minutes contain attachment.)

## *STAFF PERSONAL TRANSACTION REPORTS*

Ms. Spinato reported that there were no exceptions to report to the Staff's Monthly Personal Interest Statements for the quarter ending December 2010.

## *COMMISSION RECAPTURE REPORT*

Ms. Spinato stated that the Commission Recapture Report for the quarter ending December 2010 had previously been distributed. Judge Hoffman moved to approve the Commission Recapture Report for the quarter ending December 31, 2010. Mr. Montgomery seconded and the motion passed unanimously. (Official minutes contain attachment.)

## *RECORD OF VOUCHERS*

Ms. Spinato stated that the Record of Vouchers for the months of October, November and December 2010, were previously distributed. Following review of the Records of Vouchers, Mr. Montgomery

moved to approve the Records of Vouchers for the months of October, November and December 2010. Judge Hoffman seconded and the motion passed unanimously. (Official minutes contain attachments.)

### ***ETHICS MATTERS***

#### Placement Agent Contact Report

Ms. Schoemehl referred to the memorandum "Placement Agent Contact Report Q3 FY 2011" dated March 8, 2011, and reviewed. Following review, Mr. Montgomery moved to accept the report. Judge Hoffman seconded and the motion passed unanimously. (Official minutes contain attachment.)

#### Board Member Timesheets

Ms. Schoemehl requested that the appointed Board Members submit their quarterly timesheets.

### ***UNFINISHED BUSINESS***

None.

### ***NEW BUSINESS***

None.

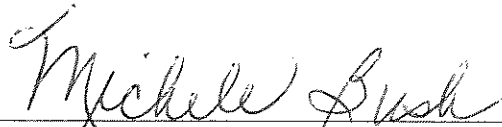
### ***NEXT MEETING AND ADJOURNMENT***

Chairman Bush stated that the next meeting of the Audit & Compliance Committee was scheduled to be held Friday, June 24, 2011. At 9:15 a.m., there being no further business to come before the Committee, Judge Hoffman moved to adjourn. Mr. Montgomery seconded and the meeting was adjourned.

Respectfully submitted,



Thomas E. Hoffman, Recording Secretary  
Illinois State Board of Investment



Michele Bush, Chairman  
Audit & Compliance Committee